

REPORT
UNITED WAY FOR THE
GREATER NEW ORLEANS AREA

DECEMBER 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/25/10

UNITED WAY FOR THE GREATER NEW ORLEANS AREA

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INDEPENDENT AUDITOR'S REPORT

June 16, 2010

To the Board of Trustees of the
United Way for the Greater New Orleans Area

We have audited the accompanying statement of financial position of the United Way for the Greater New Orleans Area (United Way) as of December 31, 2009 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the United Way's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way as of December 31, 2009 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued reports dated June 16, 2010 on our consideration of United Way's internal control over financial reporting and other matters and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audits.

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Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the United Way for the Greater New Orleans Area taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements of the United Way. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, except for the effects of the matters discussed in the third paragraph of our report, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Duplantier, Hrapmann, Hogan & Maher, LLP

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

| | 2009 | | | | 2008 |
|--|---------------------|-------------------------------|-------------------------------|----------------------|----------------------|
| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> | <u>Total</u> |
| ASSETS: | | | | | |
| Cash and cash equivalents (Note 1) | \$ 74,056 | \$ 2,713,620 | \$ - | \$ 2,787,676 | \$ 201,666 |
| Investments: (Note 1) | | | | | |
| Certificate of Deposit | 3,985,224 | 2,351,383 | - | 6,336,607 | 575,000 |
| U.S. Government securities | 2,256,234 | - | - | 2,256,234 | 8,220,528 |
| Securities purchased under agreements to resell | - | - | - | - | 3,749,896 |
| Mutual funds | (35,026) | - | 1,548,333 | 1,513,307 | 1,314,249 |
| Beneficial interest in assets held by others (Note 15) | 387,399 | - | 1,946,366 | 2,333,765 | 1,764,833 |
| Investment in Common Endowment Fund of Greater New Orleans Foundation, at market value | 248,861 | - | 14,724 | 263,585 | 236,646 |
| Total investments | <u>6,842,692</u> | <u>2,351,383</u> | <u>3,509,423</u> | <u>12,703,498</u> | <u>15,861,152</u> |
| Pledges receivable: (Note 12) | | | | | |
| Current campaign | - | 4,508,933 | - | 4,508,933 | 5,967,215 |
| Prior campaigns | 3,302,407 | - | - | 3,302,407 | 2,535,156 |
| Less: Allowance for uncollectible pledges (Note 4) | <u>(1,307,616)</u> | <u>(295,631)</u> | <u>-</u> | <u>(1,603,247)</u> | <u>(1,691,514)</u> |
| Pledges receivable, net | <u>1,994,791</u> | <u>4,213,302</u> | <u>-</u> | <u>6,208,093</u> | <u>6,810,857</u> |
| Other assets and prepaid expenses | <u>56,937</u> | <u>716,274</u> | <u>-</u> | <u>773,211</u> | <u>1,394,652</u> |
| Property and equipment: (Notes 1 and 5) | | | | | |
| Land | 302,893 | - | - | 302,893 | 292,805 |
| Automobile | 17,551 | - | - | 17,551 | 17,551 |
| Building | 991,013 | - | - | 991,013 | 900,218 |
| Furniture and equipment | 714,139 | - | - | 714,139 | 695,438 |
| Less: Accumulated depreciation | <u>(1,085,755)</u> | <u>-</u> | <u>-</u> | <u>(1,085,755)</u> | <u>(948,322)</u> |
| Property and equipment, net | <u>939,841</u> | <u>-</u> | <u>-</u> | <u>939,841</u> | <u>957,690</u> |
| TOTAL ASSETS | <u>\$ 9,908,317</u> | <u>\$ 9,994,579</u> | <u>\$ 3,509,423</u> | <u>\$ 23,412,319</u> | <u>\$ 25,226,017</u> |
| LIABILITIES AND NET ASSETS: | | | | | |
| Allocations and designations payable to member agencies | \$ 4,466,965 | \$ 2,176,422 | \$ - | \$ 6,643,387 | \$ 7,492,833 |
| Amounts held for others | 17,975 | - | - | 17,975 | 19,700 |
| Accounts payable, accrued expenses | <u>1,565,900</u> | <u>-</u> | <u>-</u> | <u>1,565,900</u> | <u>1,229,155</u> |
| Total liabilities | <u>6,050,840</u> | <u>2,176,422</u> | <u>-</u> | <u>8,227,262</u> | <u>8,741,688</u> |
| Net assets: | | | | | |
| Unrestricted (Note 8) | 3,857,477 | - | - | 3,857,477 | 1,749,942 |
| Temporarily restricted (Note 9) | - | 7,818,157 | - | 7,818,157 | 11,536,840 |
| Permanently restricted (Note 10) | - | - | 3,509,423 | 3,509,423 | 3,197,547 |
| Total net assets | <u>3,857,477</u> | <u>7,818,157</u> | <u>3,509,423</u> | <u>15,185,057</u> | <u>16,484,329</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 9,908,317</u> | <u>\$ 9,994,579</u> | <u>\$ 3,509,423</u> | <u>\$ 23,412,319</u> | <u>\$ 25,226,017</u> |

See accompanying notes.

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

| | 2009 | | | | 2008 |
|--|---------------------|-----------------------------------|-----------------------------------|----------------------|----------------------|
| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> | <u>Total</u> |
| PUBLIC SUPPORT AND REVENUE: | | | | | |
| Public support (Note 1): | | | | | |
| Contributions | \$ 12,757,287 | \$ 5,866,058 | \$ - | \$ 18,623,345 | \$ 20,244,285 |
| Less: | | | | | |
| Provision for uncollectible accounts | (391,925) | (359,368) | - | (751,293) | (811,489) |
| Donor designations | <u>(1,099,841)</u> | <u>(1,011,322)</u> | <u>-</u> | <u>(2,111,163)</u> | <u>(2,143,420)</u> |
| Total public support | 11,265,521 | 4,495,368 | - | 15,760,889 | 17,289,376 |
| Revenue: | | | | | |
| Investment income (Notes 1 and 3) | 698,692 | 88,528 | 1,502 | 788,722 | (514,387) |
| In-kind contributions (Note 1) | 834,832 | - | - | 834,832 | 1,398,130 |
| Grants, program and consulting fees | - | 575,214 | - | 575,214 | 4,157,338 |
| Special events, fundraisers and other income | 582,293 | - | - | 582,293 | 699,929 |
| Rental income, net of expense | <u>(331,586)</u> | <u>-</u> | <u>-</u> | <u>(331,586)</u> | <u>(247,943)</u> |
| Net assets released from restrictions | <u>8,877,793</u> | <u>(8,877,793)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total public support and revenue | <u>21,927,545</u> | <u>(3,718,683)</u> | <u>1,502</u> | <u>18,210,364</u> | <u>22,782,443</u> |
| ALLOCATIONS AND EXPENSES: | | | | | |
| Allocations to agencies and other assistance provided (Note 1) | 14,485,332 | - | - | 14,485,332 | 18,128,117 |
| Less: Designations to agencies | <u>(2,111,163)</u> | <u>-</u> | <u>-</u> | <u>(2,111,163)</u> | <u>(2,143,420)</u> |
| Net allocations | 12,374,169 | - | - | 12,374,169 | 15,984,697 |
| National organization dues | 137,253 | - | - | 137,253 | 136,508 |
| Functional expenses (Note 1) | <u>6,998,214</u> | <u>-</u> | <u>-</u> | <u>6,998,214</u> | <u>7,244,528</u> |
| Total allocations and expenses | <u>19,509,636</u> | <u>-</u> | <u>-</u> | <u>19,509,636</u> | <u>23,365,733</u> |
| Change in net assets - before transfers | 2,417,909 | (3,718,683) | 1,502 | (1,299,272) | (583,290) |
| TRANSFERS: | | | | | |
| Permanent endowment and reclassification | <u>(310,374)</u> | <u>-</u> | <u>310,374</u> | <u>-</u> | <u>-</u> |
| Change in net assets | 2,107,535 | (3,718,683) | 311,876 | (1,299,272) | (583,290) |
| NET ASSETS AT BEGINNING OF YEAR | <u>1,749,942</u> | <u>11,536,840</u> | <u>3,197,547</u> | <u>16,484,329</u> | <u>17,067,619</u> |
| NET ASSETS AT END OF YEAR | \$ <u>3,857,477</u> | \$ <u>7,818,157</u> | \$ <u>3,509,423</u> | \$ <u>15,185,057</u> | \$ <u>16,484,329</u> |

See accompanying notes.

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

| | 2009 | | | | 2008 | | | |
|--|--------------------------------|--------------|------------------------|--------------|------------------------------|------------------------|------------------------------|--------------|
| | PROGRAM SERVICES | | SUPPORTING SERVICES | | Total | | Total | |
| | Fund Distribution and Outcomes | Other | Total Program Expenses | Fund Raising | Marketing and Communications | Management and General | Supporting Services Expenses | 2008 Total |
| Salaries | \$ 393,867 | \$ 1,316,690 | \$ 1,710,557 | \$ 1,476,083 | \$ 200,139 | \$ 251,654 | \$ 1,927,876 | \$ 3,688,700 |
| Employee benefits | 83,630 | 260,710 | 344,340 | 275,582 | 36,788 | 42,671 | 355,041 | 572,296 |
| Payroll taxes | 32,770 | 100,270 | 133,040 | 124,896 | 16,185 | 14,249 | 155,330 | 297,058 |
| Total salaries and related expenses | 510,267 | 1,677,670 | 2,187,937 | 1,876,561 | 253,112 | 308,574 | 2,438,247 | 4,558,054 |
| Professional fees | 8,957 | 367,760 | 376,717 | 108,461 | 6,131 | 4,556 | 119,148 | 553,803 |
| Supplies | 14,539 | 30,128 | 44,667 | 43,855 | 9,547 | 3,378 | 56,780 | 103,775 |
| Telephone | 4,323 | 19,125 | 23,448 | 19,671 | 2,464 | 1,489 | 23,624 | 63,725 |
| Postage and shipping | 2,591 | 4,791 | 7,382 | 12,781 | 611 | 502 | 13,894 | 41,459 |
| Occupancy | 2,683 | 19,432 | 22,115 | 49,703 | 1,949 | 2,016 | 53,668 | 244,470 |
| Equipment rental and maintenance | 5,561 | 5,120 | 10,681 | 9,837 | 858 | 887 | 11,582 | 39,978 |
| Printing, publications and advertising | 6,643 | 107,988 | 114,631 | 317,458 | 31,333 | 771 | 349,562 | 494,758 |
| In kind advertising | 7,228 | 117,480 | 124,708 | 345,365 | 34,088 | 839 | 380,292 | 507,569 |
| Local travel and report meetings | 17,745 | 112,381 | 130,126 | 331,071 | 5,557 | 3,790 | 340,418 | 463,147 |
| Training and out of town travel | 5,000 | 29,297 | 34,297 | 23,680 | 3,026 | 962 | 27,668 | 81,222 |
| Membership dues | 1,049 | 4,181 | 5,230 | 3,186 | 608 | 288 | 4,082 | 6,830 |
| Equipment purchases | 808 | 5,569 | 6,377 | 4,639 | 838 | - | 5,477 | 17,996 |
| Miscellaneous | 1,126 | 4,493 | 5,619 | 7,222 | 549 | 516 | 8,287 | 7,027 |
| Total expenses before depreciation | 588,520 | 2,505,415 | 3,093,935 | 3,153,490 | 350,671 | 328,568 | 3,832,729 | 7,183,813 |
| Depreciation | 6,477 | 26,606 | 33,083 | 31,288 | 3,527 | 3,652 | 38,467 | 60,715 |
| TOTAL FUNCTIONAL EXPENSES | \$ 594,997 | \$ 2,532,021 | \$ 3,127,018 | \$ 3,184,778 | \$ 354,198 | \$ 332,220 | \$ 3,871,196 | \$ 7,244,528 |

See accompanying notes.

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

| | <u>2009</u> | <u>2008</u> |
|--|----------------------------|--------------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (1,299,272) | \$ (583,290) |
| Adjustments to reconcile change in net assets to net cash used by operating activities: | | |
| Depreciation | 71,550 | 60,715 |
| Fixed asset purchases charged to expense | 14,734 | 17,500 |
| (Gain) Loss on sale of asset | (2,612) | 6,325 |
| Unrealized loss (gain) on investments | (371,679) | 982,810 |
| Changes in assets and liabilities: | | |
| Pledges receivable | 691,030 | 347,241 |
| Allowance for uncollectible pledges | (88,268) | (25,052) |
| Prepaid expenses and other assets | 621,441 | (750,567) |
| Accounts payable and accrued liabilities | 336,745 | 636,627 |
| Amounts held for others | (1,725) | (310,050) |
| Allocations payable | <u>(849,445)</u> | <u>(384,423)</u> |
| Net cash provided used by operating activities | <u>(877,501)</u> | <u>(2,164)</u> |
| Cash flows from investing activities: | | |
| Purchases of fixed assets | (68,434) | (101,242) |
| Sale of fixed assets | 2,612 | 7,501 |
| Net change in investments | <u>3,529,333</u> | <u>221,250</u> |
| Net cash provided by investing activities | <u>3,463,511</u> | <u>127,509</u> |
| Net change in cash and cash equivalents | 2,586,010 | 125,345 |
| Cash and cash equivalents at beginning of year | <u>201,666</u> | <u>76,321</u> |
| Cash and cash equivalents at end of year | \$ <u><u>2,787,676</u></u> | \$ <u><u>201,666</u></u> |

Non-cash investing activity:

During the current year assets were received from another organization consisting of land and a building with a net book value totaling \$31,272.

See accompanying notes.

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

ORGANIZATIONAL PURPOSE:

United Way for the Greater New Orleans Area (United Way) is a not-for-profit organization which, through its annual fund raising campaign, solicits contributions from corporate and individual donors in the greater New Orleans area for distribution to various organizations in the Louisiana Parishes of Orleans, Jefferson, St. Tammany, Tangipahoa, Plaquemines, St. Bernard and Washington.

The United Way also serves as a campaign agent for the solicitation of contributions from military and civilian personnel.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation:

The financial statements of the United Way for the Greater New Orleans Area, a nonprofit organization, are prepared on the accrual basis.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-605, *Revenue Recognition of Not-for-Profit Entities*, (formerly *Accounting for Contributions Received and Contributions Made*, and ASC 958-205, *Presentation of Financial Statements for Not-for-Profit Entities* (formerly SFSA No. 117, *Financial Statements of Not-for-Profit Organizations*. ASC 958-605 requires recognition of pledges as revenue in the period received. In addition, custodial funds, whereby the United Way simply serves as a conduit for contributions to others based on donor designations, are not recognized as revenue to the United Way. Under ASC 958-205, the United Way is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The statement of activities presents expenses of the United Way's operations functionally between program measurement and fund distribution, combined federal campaign, fundraising, communications, and management and general. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

The principal accounting policies applied in the preparation of the accompanying financial statements are as follows:

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Public Support and Revenue:

Contributions to United Way are recorded when pledges are received and allowances are provided for amounts estimated to be uncollectible. The allowance for uncollectible pledges is maintained at a level which the Board of Trustees (the Board) considers adequate based on prior collection experience and current economic conditions. All contributions are considered to be available for unrestricted use unless specifically restricted by donors. Pledges outstanding designated for future periods are reported as temporarily restricted support. The United Way honors all designations.

Amounts received with donor stipulations that limit the use of the donated assets are reported as restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Donated Services and In-Kind Contributions:

Although a large number of volunteers have donated significant amounts of their time to the United Way's fund raising campaigns and allocation activities, donated services are not recorded in the financial statements because no objective basis is available to measure the value of such services.

Included in revenue and functional expenses is \$505,000 and \$507,569 for advertising donated during the years ended December 31, 2009 and 2008, respectively. During the current year and prior year, revenue and allocations to agencies includes \$247,356 and \$890,561, respectively, related to items donated to assist Hurricane Katrina victims and other in-kind donations.

Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values (based on quoted market prices) in the statement of financial position. These investment values fall under Level 1 of the fair value hierarchy as defined by FASB ASC 820-10-05. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and Equipment:

Property and equipment are stated at cost. Donated property and equipment are recorded at fair value at the date of receipt. Individual items costing \$1,000 or more are capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets (three to ten years) using the straight-line method. The building is depreciated using the straight-line method over a period of thirty years. Depreciation expense for the current year was \$71,550. In 2008, depreciation expense was \$60,715.

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Allocations to Member Agencies:

Annual allocations to agencies are established after completion of the annual fund raising campaign and accrued upon approval by the Board. Allocations based on donor designations are accrued when the designated pledges are received. Unexpended allocations to agencies are returned to net assets in the year in which the amounts of the unexpended allocations are determined.

Functional Expenses:

Expenses are summarized on a functional basis between program and supporting services. The organization allocates expenses using the full-time equivalent method which is based on the number of full-time employees in each department.

Program services consists of fund distribution and outcomes, which represents the review of agencies, programs, outcomes, United Way's funding decisions, and "other", which includes grants for early childhood education, quality improvement and rebuilding of childcare centers, Success by Six, Individual Development Savings Accounts, New Orleans Kids Partnership (NOKP), School to Career/Ready By 21, case management assistance, home rebuilding grants and other programs.

Supporting services consists of fundraising, marketing and communications, and management and general expenses.

Income Taxes:

United Way is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from State income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. Accordingly, no provision for income taxes has been included in the financial statements.

Statement of Cash Flows:

For purposes of these statements, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and having original maturities of three months or less. During 2009 and 2008, United Way paid no interest.

2008 Financial Information:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

2. USE OF ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. INVESTMENTS:

Investments are stated at fair value as determined by quoted market prices. The following is an analysis of investment income for the year ended December 31:

| | <u>2009</u> | | | <u>2008</u> |
|---|---------------------|-------------------------------|-------------------------------|---------------------|
| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
| Investment income | \$ 363,198 | \$ 50,009 | \$ 1,502 | \$ 414,709 |
| Net realized and unrealized gains (losses) | <u>335,494</u> | <u>38,519</u> | <u>--</u> | <u>374,013</u> |
| Total return on investments | <u>\$ 698,692</u> | <u>\$ 88,528</u> | <u>\$ 1,502</u> | <u>\$ 788,722</u> |
| | | | | <u>\$ (514,387)</u> |

4. ALLOWANCE FOR UNCOLLECTIBLE PLEDGES:

An analysis of the activity in the allowance for uncollectible pledges is as follows for the year ended December 31:

| | <u>2009</u> | <u>2008</u> |
|-------------------------------------|---------------------|---------------------|
| Balance - beginning of year | \$ 1,691,514 | \$ 1,716,566 |
| Add (deduct): | | |
| Provision for uncollectible pledges | 751,293 | 811,489 |
| Pledges canceled or written-off | <u>(839,560)</u> | <u>(836,541)</u> |
| Balance - end of year | <u>\$ 1,603,247</u> | <u>\$ 1,691,514</u> |

5. PROPERTY AND EQUIPMENT:

An analysis of the activity for property and equipment, net of accumulated depreciation, is as follows for the year ended December 31:

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

5. PROPERTY AND EQUIPMENT: (Continued)

| | <u>2009</u> | <u>2008</u> |
|-----------------------------|-------------------|-------------------|
| Balance - beginning of year | \$ 957,690 | \$ 948,489 |
| Additions | 61,790 | 83,742 |
| Disposals | (8,089) | (13,826) |
| Less: Depreciation expense | <u>(71,550)</u> | <u>(60,715)</u> |
| Balance - end of year | <u>\$ 939,841</u> | <u>\$ 957,690</u> |

6. RELATED PARTY TRANSACTIONS:

The Federal Executive Board of the Combined Federal Campaign for the Greater New Orleans Area (the Campaign), under a joint affiliation, conducts on-the-job solicitation of military and civilian personnel who are located in the greater New Orleans area for contributions to various federations.

The campaign activity for the years ended December 31, 2009 and 2008 has been included in the financial statements as agency transactions. The financial statements include the following amounts:

| | <u>2009</u> | <u>2008</u> |
|--|------------------------|------------------------|
| STATEMENT OF FINANCIAL POSITION | | |
| Cash and cash equivalents | \$ 199,403 | \$ 194,268 |
| Pledges receivable | 1,143,792 | 1,195,631 |
| Less: Allowance for uncollectible pledges | <u>178,095</u> | <u>234,622</u> |
| Total assets | 1,165,100 | 1,155,277 |
| Less liabilities: | | |
| Allocations and other payables | <u>1,165,100</u> | <u>1,155,277</u> |
| NET ASSETS | \$ <u> --</u> | \$ <u> --</u> |
| STATEMENT OF ACTIVITIES | | |
| Contributions | \$ 1,444,823 | \$ 1,497,232 |
| Less: Provision for uncollectible accounts | <u>61,989</u> | <u>83,566</u> |
| | 1,382,834 | 1,413,666 |
| Less: Payments to designated affiliates | 1,129,660 | 1,181,945 |
| Campaign administrative fees | <u>253,174</u> | <u>231,721</u> |
| CHANGE IN NET ASSETS | \$ <u> --</u> | \$ <u> --</u> |

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

6. RELATED PARTY TRANSACTIONS: (Continued)

Managerial and administrative functions for the Federal Emergency Food and Shelter Program are performed by United Way personnel. United Way receives contract service fees relating to such services. The costs associated with the services provided were \$12,769 and \$13,019 for 2009 and 2008, respectively. These costs are included in functional expenses.

The United Way leases space in the Norman Mayer Memorial Building to other nonprofit agencies. Rental income associated with the lease totaled \$139,233 and \$135,848 for 2009 and 2008, respectively.

The building expenses related to the leases, \$470,819 and \$383,791 for 2009 and 2008, respectively, has been included in the statement of activities as a deduction of rental income. Included in the building expenses is building repairs and renovation expenses totaling \$139,811 for 2009 compared to \$36,789 for 2008. The following is a schedule of annual minimum rental income under the lease agreements:

| <u>Year Ended December 31</u> | <u>Minimum Rental Income</u> |
|-------------------------------|----------------------------------|
| 2010 | \$ 133,991 |
| 2011 | 139,145 |
| 2012 | 139,145 |
| 2013 | <u>144,298</u> |
| | <u>\$ 556,579</u> |

7. RETIREMENT PLANS:

On May 1, 1995, the United Way established a defined contribution plan (the Plan) for all employees. The Plan is qualified under Section 401(a) of the Internal Revenue Code. A discretionary contribution is made to the Plan each December for eligible employees by the United Way. Currently, the discretionary contribution is 7% of eligible earnings, but the Board of Trustees retains authority to change the contribution amount annually. On October 1, 2008, United Way amended the defined contribution plan to make it a Safe Harbor 401(k) plan. The United Way 403(b) plan that had previously existed so that employees could make retirement contributions through payroll deduction was terminated. In addition to the discretionary contribution to the 401(k) plan, United Way matches employee salary deferrals into the Plan 100% of the first 3% of salary deferral and 50% of the next 2%. The maximum match is 4%. For the years ended December 31, 2009 and 2008, the United Way contributed \$314,746 and \$248,097 to the Plan. Expenses associated with the administration of the Plan are deducted from non-vested assets forfeited by participants.

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

8. UNRESTRICTED NET ASSETS:

Unrestricted net assets at December 31, 2009 and 2008 consist of the following:

| | <u>2009</u> | <u>2008</u> |
|--|---------------------|---------------------|
| Board commitments to agencies of temporarily restricted assets | \$ 13,122 | \$ (1,743,805) |
| Board designated emergency reserve | 2,088,554 | 2,139,561 |
| Board appropriated building renovation and upkeep | 214,726 | 278,315 |
| Designated endowment funds | 601,234 | 118,181 |
| Land, building, equipment and automobiles | <u>939,841</u> | <u>957,690</u> |
| | <u>\$ 3,857,477</u> | <u>\$ 1,749,942</u> |

9. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets at December 31, 2009 and 2008 are available for the following purposes:

| | <u>2009</u> | <u>2008</u> |
|---|---------------------|----------------------|
| Net unallocated contributions for the current campaigns | \$ 533,757 | \$ 2,306,624 |
| Childcare quality improvements and rebuild | 1,795,981 | 3,535,310 |
| Hurricane Katrina Recovery | 726,441 | 1,187,545 |
| Individual Development Savings Accounts | 1,659,809 | 1,636,941 |
| Faith Based Initiative | -- | 174,091 |
| Long-term Recovery | 112,189 | 766,283 |
| School to Career/Ready By 21/NOKP | 187,778 | 228,644 |
| Women's Leadership Council | 189,243 | 166,044 |
| Plaquemine-Rebuild and Maintenance Community Centers | <u>2,612,959</u> | <u>1,535,358</u> |
| | <u>\$ 7,818,157</u> | <u>\$ 11,536,840</u> |

During the current year, the United Way received assets from the United Way of Washington Area (UWWA) under an agreement to provide services to the Washington Parish area. Under the agreement, the United Way received a donation of assets totaling \$77,000.

The United Way also transferred assets to initiatives that obtained 501(c)(3) status, and are now independent nonprofit agencies operating on their own as follows:

| <u>Organization</u> | <u>Amount</u> |
|---|-------------------|
| Committee for Plaquemines Recovery | \$ 313,143 |
| New Orleans Disaster Recovery Partnership | <u>67,155</u> |
| Total distributed | <u>\$ 380,298</u> |

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

10. PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets at December 31, 2009 and 2008 are available for the following purposes:

| | <u>2009</u> | <u>2008</u> |
|--|---------------------|---------------------|
| Charles E. Dunbar Fund | \$ 1,000 | \$ 1,000 |
| N.O.P.S.I. Endowment Fund (G.S. Dinwiddie) | 3,724 | 3,724 |
| Edith H. Beekman Fund | 10,000 | 10,000 |
| New Orleans Electric Ratepayers Fund | 1,548,333 | 1,546,831 |
| Beneficial interest in assets held by others | <u>1,946,366</u> | <u>1,635,992</u> |
| | <u>\$ 3,509,423</u> | <u>\$ 3,197,547</u> |

Investment income for the New Orleans Electric Ratepayers Fund is classified as temporarily restricted in accordance with the donor restrictions. Short and long term capital gains are classified as permanently restricted as per the donor restrictions. Investment income for all other endowment funds is classified as unrestricted.

11. CONCENTRATION OF CREDIT RISK:

The investments in mutual funds and the Common Endowment Fund are not guaranteed or secured otherwise by the Trustee and are not insured by the Federal Deposit Insurance Corporation, or any other government agency.

12. PLEDGES RECEIVABLE - PROMISES TO GIVE:

Pledges receivable consists of campaign promises to give. These receivables are unsecured and are due within one year; hence, they are recorded at fair value without any discount factored. Concentrations of credit risk with respect to the promises to give are limited due to the large number of contributors comprising the United Way's contributor base and their dispersion across different industries in the Greater New Orleans area.

Pledges expected to be collected in future years have been discounted at a rate of 6%.

13. ADVERTISING:

The United Way's policy is to expense all advertising fees as incurred. Advertising purchased was \$120,431 and \$114,546 for December 31, 2009 and 2008, respectively.

The expense recognized for in-kind advertising services donated was \$505,000 and \$507,569 for December 31, 2009 and 2008, respectively.

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 WITH COMPARATIVE TOTALS FOR 2008

14. OPERATING LEASES:

The United Way leases an office in Covington, Louisiana under an operating lease expiring in 2011. Future rental payments are expected to be as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|------------------|
| 2010 | \$ 13,971 |
| 2011 | <u>14,140</u> |
| | <u>\$ 28,111</u> |

Rent expense incurred related to this operating lease for December 31, 2009 and 2008 was \$13,740 and \$13,212, respectively.

15. ENDOWMENT ASSETS:

In a prior year, the United Way established an irrevocable endowment fund with the Greater New Orleans Foundation to receive and invest funds for the benefit of the United Way. All income received from the endowment is unrestricted and will be used to cover operating expenses. Contributions received and transferred to the endowment fund for 2009 and 2008 totaled \$310,374 and \$40,866, respectively. Income (loss) for 2009 and 2008, net of expenses totaled \$258,558 and \$(519,827), respectively. The amount of the endowment reflected in the statement of financial position as beneficial interest in assets held by others is \$2,333,765 and \$1,764,833 for 2009 and 2008, respectively. The original transfers are considered to be permanently restricted because they are irrevocable gifts to a permanent endowment.

16. RECLASSIFICATIONS:

Certain amounts in the prior financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

17. COMPENSATED ABSENCES PAYABLE:

Employee personal leave is cumulative and may be carried forward from year to year, up to a maximum of 60 workdays. Upon separation, employees are paid for any unused personal leave days. The accrued liability was \$192,068 and \$224,161 for the years ended December 31, 2009 and 2008, respectively.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

June 16, 2010

Board of Directors
United Way for the Greater New Orleans Area

We have audited the financial statements of United Way for the Greater New Orleans Area, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered United Way for the Greater New Orleans Area's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Way for the Greater New Orleans Area's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of United Way for the Greater New Orleans Area's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a control deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined in the prior paragraph.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United Way for the Greater New Orleans Area's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, Board of Directors, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP



DUPLANTIER, HRAPMANN,
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REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

June 16, 2010

Board of Directors
United Way for the Greater New Orleans Area

Compliance

We have audited the compliance of United Way for the Greater New Orleans Area with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended December 31, 2009. United Way for the Greater New Orleans Area's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of United Way for the Greater New Orleans Area's management. Our responsibility is to express an opinion on United Way for the Greater New Orleans Area's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about United Way for the Greater New Orleans Area's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of United Way for the Greater New Orleans Area's compliance with those requirements.

In our opinion, United Way for the Greater New Orleans Area, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

Management of United Way for the Greater New Orleans Area is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered United Way for the Greater New Orleans Area's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of United Way for the Greater New Orleans Area's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, Board of Directors, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| <u>Program Department / Title</u> | <u>Federal CFDA Number</u> | <u>Federal Expenditures</u> |
|--|------------------------------------|---------------------------------|
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u> | | |
| Funds passed through State of Louisiana: | | |
| First Teacher Louisiana Grant | 93.575/93.596 | \$ 68,591 |
| Funds passed through City of New Orleans: | | |
| AFI Program | 93.602 | <u>132,000</u> |
| TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES | | <u>200,591</u> |
| <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u> | | |
| Funds passed through the City of New Orleans: | | |
| HCS, United Way | 14.218 | 148,189 |
| Funds passed through State of Louisiana | | |
| Non Profit Rebuilding Pilot Program | 14.228 | <u>6,957</u> |
| TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | <u>155,146</u> |
| <u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u> | | |
| Funds passed through State of Louisiana: | | |
| Disaster Case Managmenet Pilot | 97.088 | <u>174,447</u> |
| TOTAL DEPARTMENT OF HOMELAND SECURTY | | <u>174,447</u> |
| TOTAL FEDERAL AWARDS | | \$ <u><u>530,184</u></u> |

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the United Way for the Greater New Orleans Area and is presented on the accrual basis of accounting. Grant revenues are recorded, for financial reporting purposes, when United Way for the Greater New Orleans Area has met the cost of reimbursement or funding qualifications for the respective grants.

UNITED WAY FOR THE GREATER NEW ORLEANS AREA
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009

A. SUMMARY OF AUDITOR'S RESULTS

1. The independent auditor's report expresses an unqualified opinion on the financial statements of the United Way for the Greater New Orleans Area.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of United Way for the Greater New Orleans Area were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for United Way for the Greater New Orleans Area expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for United Way for the Greater New Orleans Area.
7. The programs tested as major programs included:

| <u>Name of Program</u> | <u>CFDA No.</u> | <u>Expenditure</u> |
|--------------------------------|-----------------|--------------------|
| Disaster Case Management Pilot | 97.088 | \$ 174,447 |
| HCS, United Way | 14.218 | <u>148,189</u> |
| | | <u>\$ 322,636</u> |

8. The threshold used to distinguish between Type A and Type B programs was \$300,000.
9. United Way for the Greater New Orleans Area did not qualify to be a low-risk auditee since this was the organization's first A-133 audit.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

D. PRIOR YEAR FINDINGS

Not applicable, single audit not required in prior year.